

SEATTLE PACIFIC UNIVERSITY'S ACADEMIC GRANTS POLICY FOR ALLOCATING INDIRECT COST RECOVERY

Philosophy

Seattle Pacific University seeks to encourage and support academic grant writing that is related to the mission and goals of the University and to ensure that facility and administrative and other support costs to grants are adequately funded. In short, it is in response to the President's call for "new sources of revenue" to support Academic research and the University as a whole. Grant writing is a scholarly endeavor that engages the culture through interactions with funding agencies and reviewers. The types of external funding we seek enhance student learning directly, through guided student inquiry, and indirectly through the professional development of faculty.

Direct and Indirect Costs of a Grant

Direct costs are clearly defined in the grant budget. They include research expenses such as personnel, travel, equipment and materials. Indirect costs are more difficult to define and to determine precisely in that they are costs incurred by the University for common and joint objectives. They include costs for services, administration and facilities that support, directly and indirectly, the grant and are ongoing costs and activities of the University. These costs are incurred by the central administration of the University as well as the specific school/college and department that receives the grant. Indirect cost recovery (ICR) is allowed in most grants although most granting agencies dictate the percent of the grant that is allowable for indirect costs. It is expected that all grant proposals will include the maximum allowable ICR for University indirect costs.

Allocation of Funds Received for Indirect costs (ICR)

Some costs may be considered indirect costs by the grant terms or granting agency policies but are additive to the University because of the grant and readily known. Generally, however, indirect costs of doing research, administering and supporting grants are usually difficult to clearly measure and ascertain. Therefore SPU's policy is to allocate 55% of the ICR received from a grant to the non-academic budget and 45% to academic budgets.

The ICR allocated to the non-academic budget will be distributed as follows:

1. To fund identifiable additive indirect costs in non-academic areas not allowed by the grant terms or granting agency policies.
2. 80% (i.e. 80% of the remaining 55% of ICR after item #1) will be credited to the general University budget to be used as approved by the President upon recommendation from the Office of Business and Planning.
3. 20% to University Advancement to offset their costs related to supporting grant writing for the specific grant and all other grants.

The ICR allocated to academic budgets costs will be distributed as follows:

1. To fund identifiable additive indirect costs in the Academic area not allowed by the grant terms or granting agency policies.
2. 45% (i.e., 45% of the remaining 45% of ICR after item #1 and so on) to the department receiving the grant to be used to offset the costs, not covered by the grant, that they incur in the grant writing and administration of the grant. They may also be used for temporary costs related to student learning and to augment current year program needs of the department. These funds should also be used to support further grant writing and fund matching requirements that may arise with future grants. All uses by the department in this section are dependent upon a plan submitted to and approved by the School dean.
3. 25% to the School or College to offset costs they incur and to be used to encourage grant writing and to respond to faculty and departmental request for support in grant writing.
4. 25% to OAA to offset costs they incur and to be used to encourage grant writing in all schools and to respond to faculty and schools request for support in grant writing.
5. 5% to the library to offset the indirect costs they incur in support to academic grants.

Other General Provisions:

1. The President must approve an allocation of ICR that varies from the above policy.
2. All budget allocations related to ICR will be treated as temporary budget until the level of ICR reaches a consistent annual amount which can be relied upon to consider for addition to the permanent revenue sources of the University.
3. Unspent amounts of ICR designated accounts at fiscal year-end will be carried forward to the new fiscal year, but only to the extent departmental, school and Academic area operating budgets are not in deficit. In other words, if a department's normal operating budget accounts are in deficit at year-end any unspent ICR funds may be accessed to cover the deficits if the VPAA does not identify other academic budgets to cover the deficit. The same principle applies to ICR amounts allocated to central University budgets.
4. There shall be an annual review with the President of the revenues and expenses related to academic grant writing.

Policy Approved by President: November, 2004

Recommended by:

*Dean Bruce Congdon
Associate Vice President Craig Kispert
Vice President Les Steele
Vice President Bob McIntosh
Vice President Don Mortenson*